

AMENDED IN SENATE APRIL 28, 2010

AMENDED IN SENATE APRIL 6, 2010

SENATE BILL

No. 1439

Introduced by Senator Price

February 19, 2010

An act to amend Section 19605.25 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

SB 1439, as amended, Price. Horse racing: minisatellite wagering facilities.

Existing law authorizes the California Horse Racing Board to approve an additional 15 minisatellite wagering sites in each zone under certain conditions, including that no site is within 20 miles of a racetrack, a satellite wagering facility, or a tribal casino that has a satellite wagering facility. Existing law provides that if the proposed facility is within 20 miles of one of the above-referenced satellite facilities, then the consent of each facility within a 20-mile radius must be given before the proposed facility may be approved by the board. Existing law requires the written consent of the San Mateo County Fair be obtained prior to the approval of any minisatellite wagering site located within a 20-mile radius of its fairground.

This bill would replace the 20-mile radius requirement in the above provisions with a 15-mile-radius requirement and would provide that the requirement that the approval of a racetrack, satellite wagering facility, tribal casino that has a satellite wagering facility, or fair be obtained if the proposed minisatellite wagering facility is within 15 miles shall only apply to those facilities that are operated by tribal casinos, racetracks, or fairs that actually conduct 2 weeks or more of

live racing in the preceding year. The bill would authorize the board, if a satellite wagering facility or tribal casino does not consent to a minisatellite wagering facility being situated within 15 miles, to conduct a one-year test at the proposed site in order to determine its impact on total parimutuel revenues and on attendance and wagering at existing satellite wagering facilities. With respect to the one-year test, the *bill would provide that the* board may approve only one minisatellite wagering facility per existing satellite wagering facility and the minisatellite wagering facility must be located within 10 miles of the satellite wagering facility. The bill would authorize a certain impact fee, as provided.

This bill would specify how mileages are to be measured for purposes of the above provisions.

This bill would, notwithstanding the above provisions, prohibit the establishment of a satellite wagering facility or minisatellite wagering facility within 20 miles of a tribal casino. By establishing a prohibition under the Horse Racing Law, the violation of which would be a crime, the bill would impose a state-mandated local program.

This bill would make clarifying and other technical changes.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19605.25 of the Business and Professions
- 2 Code is amended to read:
- 3 19605.25. (a) The board may approve an additional 15
- 4 minisatellite wagering sites in each zone, if all of the following
- 5 conditions are met:
- 6 (1) No site is within 15 miles of a racetrack, a satellite wagering
- 7 facility, or a tribal casino that has a satellite wagering facility. If
- 8 the proposed minisatellite wagering facility is within 15 miles of
- 9 one of the above-referenced facilities, then the consent of each

1 such facility within 15 miles must be given before the proposed
2 minisatellite wagering facility may be approved by the board.

3 (2) An agreement in accordance with subdivision (a) of Section
4 19605.3 has been executed and approved by the board. In addition
5 to the requirements set forth in that provision, the agreement shall
6 specify which components of its racing program, including live,
7 out-of-zone, out-of-state, and out-of-country races, an association
8 or fair will make available to the site. The terms and conditions of
9 the agreement, including all fees payable pursuant to paragraph
10 (3) of that provision, a portion of which may be paid to horsemen
11 in the form of purses, shall be subject to the approval of the
12 horsemen's organization responsible for negotiating purse
13 agreements with the association or fair.

14 (3) The site is approved by the board.

15 (4) The wagers are accepted in an area that is accessible only
16 to those who are at least 21 years of age.

17 (5) The board has approved the accommodation, equipment
18 used in conducting wagering at the site, communications system,
19 technology, and method used by the site to accept wagers and
20 transmit odds, results, and other data related to wagering.

21 (b) Parimutuel clerks shall be available to service the self-service
22 tote machines at these locations, and to cash wagering vouchers
23 on a regularly scheduled basis.

24 (c) Until July 1, 2011, if the proposed minisatellite wagering
25 site is in the northern zone in a fair district where the fair has
26 operated a satellite wagering facility for the previous five years,
27 the approval of the fair must be obtained even if the proposed
28 location is more than 15 miles from the existing satellite wagering
29 facility operated by the fair.

30 (d) For purposes of commissions, deductions, and distribution
31 of handle, wagers placed at minisatellite sites shall be treated as
32 if they were placed at satellite wagering facilities authorized under
33 Section 19605, 19605.1, or 19605.2. Section 19608.4 shall apply
34 to minisatellite wagering facilities.

35 (e) The written consent of the San Mateo County Fair shall be
36 obtained prior to the approval of any minisatellite wagering site
37 located within 15 miles of its fairground.

38 (f) Minisatellite wagering facilities created pursuant to this
39 section are not eligible for satellite wagering commission
40 distributions pursuant to Section 19604.

1 (g) The board shall adopt emergency regulations to implement
2 these new facilities on or before April 1, 2008. The board, in
3 adopting these regulations, shall minimize the expense to both the
4 operator of the minisatellite facility and the host racetrack.

5 (h) If there are more than 15 applications for minisatellite
6 wagering facilities in any zone, the board shall determine which
7 facilities will generate the largest handle, and give priority to the
8 approval of those facilities. The board shall license a minisatellite
9 facility for two years, and then review the operation and the size
10 of the handle, and determine if it is in the best interest of horse
11 racing to relicense the facility or, in the alternative, license another
12 minisatellite facility that might generate a greater handle.

13 (i) Except as may be provided in the agreement required
14 pursuant to paragraph (2) of subdivision (a), no association or fair
15 shall be required to make all or part of its racing program available
16 to a minisatellite wagering facility. Notwithstanding subdivision
17 (e) of Section 19608.2, all costs incurred by the organization
18 executing that agreement in excess of the amounts distributable
19 to the organization from wagers placed at the site on that racing
20 program, shall be borne by the minisatellite wagering facility.

21 (j) Notwithstanding subdivisions (a) and (e), the requirement
22 that the approval of a racetrack, satellite wagering facility, tribal
23 casino that has a satellite wagering facility, or fair be obtained if
24 the proposed minisatellite wagering facility is within 15 miles shall
25 only apply to those facilities that are operated by tribal casinos,
26 racetracks, or fairs that actually conduct two weeks or more of live
27 racing in the preceding year. If a satellite wagering facility, or
28 tribal casino that has a satellite wagering facility, does not consent
29 to a minisatellite wagering facility being situated within 15 miles,
30 the board may conduct a one-year test at the proposed site in order
31 to determine the impact of the proposed minisatellite wagering
32 facility on total parimutuel revenues, and on the attendance and
33 wagering at existing satellite wagering facilities. With respect to
34 the one-year test, the board may approve only one minisatellite
35 wagering facility per existing satellite wagering facility and the
36 minisatellite wagering facility must be located within 10 miles of
37 the existing satellite wagering facility. During the one-year study,
38 the operator of the minisatellite wagering facility and the satellite
39 wagering facility operated by a fair or a tribal casino may enter
40 into an agreement providing for the payment of an impact fee. If

1 there is no agreement within that year, the board may hear
2 testimony from both parties and impose an impact fee based on
3 the results of the one-year test study. A decision of the board
4 regarding a proposed site may cover the period of time during
5 which the test is to be conducted, as well as apply to the operation
6 of the minisatellite wagering facility if it continues to operate
7 beyond one year.

8 (k) For purposes of this section, mileages shall be measured
9 property line to property line by the shortest publicly accessible
10 driving route.

11 (l) *Notwithstanding the provisions of this section, no satellite*
12 *wagering facility or minisatellite wagering facility shall be located*
13 *within 20 miles of a tribal casino.*

14 *SEC. 2. No reimbursement is required by this act pursuant to*
15 *Section 6 of Article XIII B of the California Constitution because*
16 *the only costs that may be incurred by a local agency or school*
17 *district will be incurred because this act creates a new crime or*
18 *infraction, eliminates a crime or infraction, or changes the penalty*
19 *for a crime or infraction, within the meaning of Section 17556 of*
20 *the Government Code, or changes the definition of a crime within*
21 *the meaning of Section 6 of Article XIII B of the California*
22 *Constitution.*